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**Response to TRA case AS0067 - Countervailing investigation concerning Hydrotreated Vegetable Oil originating in the United States of America**

Please find herein the response of Crown Oil Limited (**Crown Oil**) to the recently published statement of essential facts (**SEF**).

Crown Oil is a UK based importer and distributor of various fuels and fuel components. Since 2019, Crown Oil has been an importer and supplier of HVO into the UK market.

Our distribution activities are based solely on the supply of HVO 100 to both end users and other downstream distributors. We do not blend HVO into EN590 diesel. All of our sales are B2B based and we are not supplying Diesel for onward sale to consumers at the forecourt.

It is our belief that the TRA have failed to understand the HVO market in its assertions that HVO and FAME based biodiesel are equivalent products; at best the TRA have positively found equivalence in two of the five criteria they have identified. Furthermore, the TRA continues to assert the relevance of previous determination of equivalence used in earlier TRA cases as the main rationale for continuing with this premise. This position, in our view, is wholly incorrect.

The TRA have determined that HVO and FAME are both used in the majority for the production of B7 EN590 fuel In doing, so the TRA have failed to consider data produced by various UK agencies which clearly shows that there is a diversified market comprising the B7 market, dominated by FAME and a “high blend” market dominated by HVO. These two markets are separate and distinct and do not compete since FAME is unable to penetrate the latter due to technical and distribution characteristics. Certainly, HVO at downstream distribution level (dominated by suppliers such as Crown Oil) is completely based upon the supply of HVO 100. The failure of the TRA to understand the market in a comprehensive way because of their unwillingness to reevaluate the equivalence determination has led to material errors in the impact assessment and subsequent requirement for tariff measures.

Furthermore, within the economic assessment and subsequent injury evaluation, the TRA refer to the reduced requirement for biodiesel in the UK that US HVO has generated. It fails to consider alternative markets such as the EU where biofuel mandates are higher increasing overall material values. These markets (such as the EU) are easily accessed by RTFA members and therefore the theory that shifts in the UK market have directly caused injury when business adaptation is possible is clearly tenuous.

The TRA have also failed to take into account that the  blend tax credit (**BTC**) ceased to operate in early 2025 and that its replacement, the clean fuel production credit, is not open to producers or blenders of HVO which has been produced using non-US feedstocks – a prerequisite to UK import since US feedstocks do not hold the required sustainability credentials. Any tariff imposed upon US based HVO would, therefore, be retroactive and

penalise the downstream suppliers and users of HVO in the UK both reducing choice, UK GHG $CO_2$ savings and ultimately increasing the cost of fuel and associated goods to the UK consumer.

**Specific comments on determination of "equivalence" in SEF**

***D4. Comparison of goods concerned and the like goods***

***"D4.1. Physical Likeness***

*87. HVO and FAME are fuels of non-fossil origin produced with the same base majority raw material. Both are low sulphur fuels that release lower carbon dioxide emissions than diesel.*

*88. The difference in technical and chemical characteristics is not disputed. HVO is a hydrocarbon that has a close chemical composition to mineral diesel. HVO is a clear colourless liquid with no odour. FAME is a methyl ester which is a transparent liquid (colourless to yellow) with low odour.*

*89. HVO has a higher cetane number, lower density at 15°C and lack of oxygen content (meaning it is less likely to oxidise). It has a lower average cold filter plugging point (CFPP), with HVO fuel standard EN 15940 specifying a CFPP of anywhere between -15°C and -34°C, although there can be CFPP overlap between HVO and FAME. CFPP is an important quality in fuel that determines the level of temperature variation the fuel can withstand before it freezes or gels. HVO has a minimum flashpoint of 61°C which means that it is safe in warmer conditions as well as freezing temperatures. HVO is a fungible fuel with diesel in a road-transport diesel engine on a technical basis."*

Crown Oil asserts that the TRA analysis of physical likeness does not show equivalence

***"D4.2. Commercial Likeness***

*90. HVO operates under the fuel specification for EN 15940 while FAME operates under fuel specification EN 14214. Both fuels operate comparably under diesel standard EN 590 once blended with mineral diesel for use as a road transport fuel. Fuel for road transport is the primary use of HVO and FAME, with a range of blend rates.*

*91. In the UK, road fuel diesel may contain up to 7% biodiesel (known as B7) as per legislation, and the majority of HVO and FAME is blended with mineral diesel up to B7 for sale at forecourts. This B7 will then be sold as blended diesel and will operate under EN 590, irrespective of whether HVO or FAME formed the bio-content of the blend. In this respect, HVO and FAME compete directly with each other for customers."*

EN590 is an international standard and is recognised throughout Europe. EN590 has a clear maximum content of FAME, set at 7% (V/V) maximum, thus representing a "blend wall" for FAME biodiesel.

| | | | | |
|---|---|---|---|---|
| **Fatty acid methyl ester (FAME) content** [h] | **% (V/V)** | - | **7,0** | EN 14078:2014 |

There is no such blend wall for HVO. The maximum level of HVO which can be blended into EN590 compliant Diesel is instead governed by the overall density of the blended fuel (815 kg/$m^3$ minimum).

*"92. Distribution channels for both HVO and FAME are identical."*

Distribution channels for HVO and FAME are not identical (as per Crown Oil's previous submission). The downstream distribution of FAME requires specialist heated storage tanks and vehicles to ensure the product remains liquid at ambient temperatures below 5°C. For this reason, the blending of FAME into Diesel fuel is conducted largely at large scale distribution hubs and refineries. The downstream storage, distribution and sale of FAME (blended or neat) is therefore severely limited to specialist operators or producers and for this reason only very small volumes of FAME find their way into downstream distribution channels.

**"*D4.3. Functional Likeness***

*93. This refers to how the market treats the potential like goods compared to the goods concerned. As part of this investigation, the TRA considered the end use and interchangeability of the products in question.*

*94. End use requires consideration of the extent to which FAME and HVO products are capable of performing the same, or similar functions. Interchangeability requires consideration as to whether consumers are willing to choose one product instead of another to perform those end uses.*

*95. As outlined in D4.2, blended up to 'B7' HVO and FAME are directly substitutable and interchangeable goods at a forecourt fuel level, where a significant portion of UK biodiesel end-sales take place. This demonstrates that HVO and FAME are capable of performing an equivalent function in a road-transport diesel engine for biodiesel's main end use."*

The TRA have failed to take into account the "blend wall" as described above in this analysis. At 7%, with "double counting" waste-based Biofuel, such fuel can support a biomandate of 14% maximum. As of 2026 the mandate will increase to 14.55%, therefore FAME will not be able to support this level. This deficiency will increase during the lifetime of these proposals. Non-FAME biobased fuels will therefore take more prominent roles as mandated suppliers continue to meet their statutory obligation.

*"96. The TRA has considered information provided at the PSQ stage, additional submissions (available on the public file) in relation to various uses of HVO as a non-road transport fuel for rail, agriculture and maritime applications, as well as the use of HVO as a heating oil for off grid communities. In these applications, HVO may not be interchangeable with FAME. These end-uses do not constitute the main use for either fuel, which has been determined as road transport fuel (by volume)."*

The discretionary market for HVO and other non-FAME based fuels began to emerge in or around 2015 and has grown since as market participants have looked to reduce GHG emissions by reducing and substituting EN590 fuels from their operations. The TRA have not considered the use of non-EN590 fuels such as EN15940 and the associated GHG reduction capacity increases these fuels can afford in their functional assessment. The mandated biofuel market is put into place and governed by the RTFO and (for 2025) this stands at 14.55% of ordinary RTFC's. Since the RTFO (outside of the SAF mandate) does not distinguish between fuel type and delineates against application, any RTFC generated either by bending or selling a renewable fuel as an unblended product can be used by obligated parties to meet their mandate. The RTFO was put into force in the UK in 2008 and at that time the suite of renewable fuels available to the blender was limited to FAME (B7) and Ethanol (as a component of petrol) (E5). As the RTFO has matured other renewable fuels such as HVO, BioMethane and RFNBOs (hydrogen) have become more commercially viable and the maximum level of ethanol allowed in petrol has increased to 10%, all

of which generate RTFCs. These alternatives, specifically HVO and Biomethane offer a 100% non-blended use opportunity therefore increasing the carbon savings available to the end user. This discretionary market has grown quickly since 2019 as suppliers such as Crown Oil have educated end users to the benefits of HVO and invested in storage and distribution infrastructure. As such, the subsequent increase in RTFC liquidity has meant that simply blending B7 from FAME and diesel has become a less attractive proposition given the technical and operational constraints this imparts on the operator. Whilst both blending B7 and supplying a 100% renewable fuel generate RTFCs, the TRA have failed to accurately identify the discretionary market. Consequently, the TRA have failed to identify that the functional similarities of FAME and HVO are limited up to a maximum blend ratio of 7% beyond which FAME is unable to be added to fossil diesel fuel and remain compliant with EN590. Under current operational, OEM, international fuel standards and market conditions, FAME therefore, can only contribute to the first 14% of the RTFO mandate.

Whilst the size of the discretionary market is difficult to assess, data published by the DfT "RTFO statistics 2024"( https://www.gov.uk/government/statistics/renewable-transport-fuel-obligation-rtfo-statistics-2024-final-report) shows that 788 million litres of HVO was imported into the UK and used to generate RTFCs. Because of the way in which the RTFO operates, it does not provide any data which can be used to discern the end use of this fuel. However, the renewable fuels assurance scheme operated by the Zemo Partnership can provide granular data to show that it has validated 560 million litres of HVO 100 supplied for end use within the UK into the discretionary or high blend market. Zemo confirms that 95% of UK fuel suppliers are currently members of the RFAS scheme. The remaining 228 million litres of fuel must therefore have been used as a blend component. Furthermore, these figures ignore any HVO that has been placed into non-mandated markets such as marine diesel utilised within tidal UK ports and heat generation, which is a growing marketplace. However, these figures confirm that the volume of HVO employed directly into the B7 blend market is low compared to the discretionary marketplace. See below figures as published by ZEMO. UKIFDA has confirmed, after canvassing its 100+ members, that it is able to corroborate these volumes as being accurate, and representative of HVO100 sold directly to end users. UKIFDA has also confirmed that the market has grown by ~10-15% in 2025. The 2024 volume of HVO above is worth approximately 1.3 million tonnes of GHG CO2 saving within the UK economy.

## RFAS Market Monitoring

Zemo Partnership

2024 (Provisional Data)

- GHG emissions savings for declared volume of fuel to road fleet estimated to be around 650 million $kgCO_2e$ compared to using an equivalent volume of B7 diesel, CNG or LNG

| Renewable Fuel | Quantity Declared Under RFAS | Average GHG savings[1] | Feedstocks |
|---|---|---|---|
| **Biomethane** | ~95 million kg | 79% | 100% biomass wastes/residues<br>Food waste, sewage sludge, organic municipal solid waste, manure |
| **Renewable diesel/HVO** | ~520 million litres | 83% | 100% biomass wastes/residues<br>Used cooking oil (UCO), spent bleaching earth oil, food waste, Palm Oil Mill Effluent (POME) oil |
| **Biodiesel blends (B10 to B30)** | ~140 million litres | 13% | 100% biomass wastes/residues<br>POME oil, UCO, food waste, sewage sludge |

[1] GHG savings compared to RTFO fossil fuel comparator

It is Crown Oil's opinion that the TRA have not classified the market correctly and therefore failed to recognise the distinction between the mandated and discretionary market within the UK. The UK market is certainly unusual when compared to markets of similar size across Europe. This can be attributed largely to the fact that in "peer" markets, the mandates tend to be higher and therefore a discretionary market has not developed (in the case of Germany HVO was not permitted to be sold as a 100% fuel until 2024). The fact that these applications exist for HVO and are difficult to access with FAME, clearly demonstrates non-equivalency.

By focusing exclusively on the B7 market the TRA have failed to consider the whole market and its nuances and have therefore only produced and based its recommendations on an "ankle deep" understanding of the market.

**"***97. With regard to consumer interchangeability, FAME and HVO both operate under the same regulatory framework at present: the Renewable Fuel Transport Obligation (RTFO). Fossil-fuel companies may choose to meet their RTFO target by purchasing HVO or FAME to meet the same obligation. Both HVO and FAME can use identical feedstocks, and so they are equally eligible for renewable transport fuel certificates under the RTFO*[1]*."*

[1] *RTFO mandate list of feedstocks (including which are single and which are double counted)*

***D4.4. Similarities in production***

*98. The TRA has found that FAME and HVO have different production processes. FAME is produced through transesterification, whereby fatty acids react with an alcohol, often methanol, in the presence of a catalyst. HVO is produced hydrotreating fatty acids at high temperatures and pressure to remove oxygen. It is our understanding that the UK industry only produces biodiesel through transesterification at present, using waste-origin feedstock as the main raw material and fatty acid component.*

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*99. In terms of input similarity, feedstock as a raw material constitutes 80-90% of cost of production for both HVO and FAME. HVO and FAME are in direct competition for the supply of this fundamental raw material. The main feedstock used in the UK is UCO (Used Cooking Oil), but the UK also uses tallow category 1 and 2, acid oils contaminated with sulphur, mill-effluent residue, and fats and greases from wastewater systems among others. HVO uses the same feedstocks as FAME for production, with UCO as a primary feedstock*."

Feedstock interchangeability cannot be argued against; however, feedstock use is a function of global availability rather than necessity and therefore imparts no level of equivalence between HVO and Biodiesel. The production of biofuels simply requires the presence of large-scale biogenic carbon feedstocks – globally these happen to take the form of vegetable-based fats.

***" D4.5. Other relevant characteristics***

*100. The TRA did not initially consider any further characteristics in its assessment of the likeness*

*of FAME and HVO. However, submissions from interested parties (see Appendix A) raised areas for consideration.*

*101. In terms of the HS tariff codes under which HVO and FAME can enter the UK market, the TRA accepts that there are a number of distinct codes for each fuel type, FAME and HVO. However, the TRA notes that there are also a number of codes under which either FAME and/or HVO can be declared. As such, the TRA considers that the tariff treatment of these goods does distinguish between and does not indicate sufficient difference between the goods. Thus this does not change the finding that they are like goods*."

This statement does not appear to make sense. The TRA have not published any statistics to show which tariffs and, therefore, volumes, have been used to declare both HVO and FAME. Crown Oil's own experience is that most HVO suppliers use a single, distinct HS Comm code, under which FAME could not be declared. Furthermore, due to the reallocation of the HS Comm code list since 1st Jan 2025, many codes have now been removed from use.

**"*D4.6. Comments received from interested parties***

*102. The submission from the Construction Plant-hire Association notes that there are differences in the usage of HVO and "biodiesel" in Non-Road Mobile Machinery. The submission references the different EN standards that cover each fuel type, as well as challenges using "biodiesel" at blend rates higher than B7. These issues are addressed in D4.3 and D4.2 respectively*."

The TRA have taken no account of the differences of handling, use and market acceptability at the end user and have asserted that the RTFO is the only UK market driver. This is wholly inaccurate.

"*103. The TRA accepts that, at higher blend rates, the interchangeability between FAME and HVO decreases. However, as non-road use is not the main end use for either fuel, and as we believe the majority of sales happen at the level of fuel forecourts for road use where the products are directly interchangeable, the TRA considers the finding of FAME and HVO to be like goods is appropriate*."

As per the above, it is not accepted that the TRA have sufficient data to support this statement. Indeed, there is data (some of which is presented above) to show that, certainly in the case of HVO, the market delineator is at the downstream distribution level and as such this fuel does not pass through to the forecourt. It is true however that because of its specific handling and distribution requirements, FAME is used within upstream refinery level and therefore distributed onto the forecourt.

"*104. The TRA received comments from DGD and Valero on 23 September 2025 as well at a meeting on 20 October 2025 with respect to the TRA's like goods determination for this investigation, DGD and Valero commented that in their view, HVO and FAME are fundamentally different products and cannot be considered the "like goods" because of differences in production methods, chemical composition, engine compatibility, storage, and market positioning.*

*105. DGD and Valero commented that they do not consider that there have been changes to properties, uses or market structure of HVO and FAME since the TRA published its final recommendations for TD0004 and TS0005 in November 2022 to justify a different position on the like goods than the position taken in those reviews*."

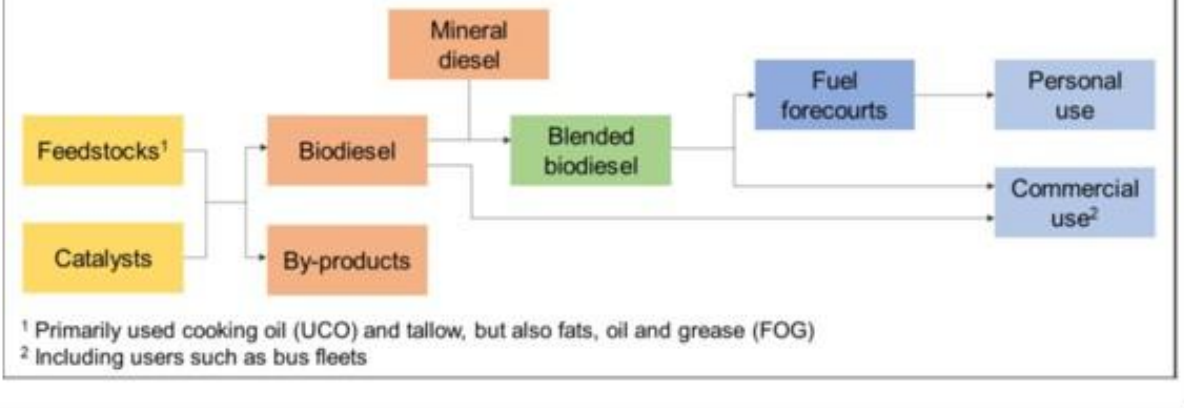
It is Crown Oil's view that the market has changed considerably since the determination for TD0004 and TD0005. Downstream of the producers, HVO has been, and still is, marketed as a EN15940 fuel that affords an 80 +% GHG reduction. This market has broken away from the traditional EN590 based "fossil fuel" + biodiesel market (affording only ca 6% GHG reduction) that the TRA are focused on. In a maturing market it is wholly inaccurate to rely upon previous determinations without challenging and testing the assumptions made at the time against current market conditions.

**"*E2. UK market***

*145. In the UK biodiesel market, the purchase of biodiesel is subject to UK government incentives through the RTFO framework. Most biodiesel is blended*

*at specific blend rates with mineral diesel (diesel) and used in road transport, see the supply chain image 1.*

**Image 1: UK's biodiesel industry supply chain overview**




*Source: TRA own image – Information from UK producer data.*

*146. Biodiesel is often sold via traders, who either sell it domestically or export it. It is possible to claim RTFC from the UK government once biodiesel is supplied for use in the UK, for the main purpose of road fuel, and the RTFCs themselves have commercial value.*

*147. In respect of consumption, the Department for Transport (DfT) publishes data on total UK consumption of biodiesel that is gathered as part of its RTFO scheme. According to this data, total UK consumption of biodiesel during the POI was 127,202,195 mt / 1,630,732,146 litres. Table 3 below shows the trend over the injury period and POI.*

*148. The TRA has indexed all volume tables in this report to Year 2, to provide trends that are not affected by previous measures against HVO during year 1 of the injury period (see section H1.1 – Volume of subsidised imports).*

| ***Table 3: Consumption of biofuel in the UK in litres*** | | | | |
|---|---|---|---|---|
| | ***Year one*** | ***Year two*** | ***Year three*** | ***POI*** |
| | ***2021*** | ***2022*** | ***2023*** | ***2024*** |
| *UK Consumption Biodiesel (incl HVO & FAME) Total Litres* | *1,394,324,370* | *1,763,412,196* | *1,958,872,714* | *1,630,732,146* |
| *UK Consumption Biodiesel (incl HVO &FAME)* ***Indexed*** *to year 2* | *79* | *100* | *111* | *92* |
| *UK Consumption of HVO total litres* | *63,053,160* | *262,536,870* | *505,896,064* | *787,829,538* |
| *UK Consumption of HVO* ***Indexed*** *to year 2* | *24* | *100* | *193* | *300* |
| *UK production (FAME)* ***Indexed*** *to year 2* | *105* | *100* | *97* | *79* |
| *Source: RTFO consumption data, Confidential UK questionnaire data* | | | | |

*149. Biodiesel produced in the UK competes directly with biodiesel imported from other countries. HMRC Overseas Trade in Goods Statistics (OTS) indicates that there were increasing imports from the US during the injury period and POI, as well as the PRC."*

The TRA have failed to analyse the UK biofuel market in its entirety and have, once again, only presented a limited account. The TRA fail to recognise that the UK biofuel market is largely reliant on importation of feedstock, due, in part, to the relatively low volume of indigenous UK feedstock available to it. As such there have been several external factors which have increased the cost of UCO feedstock within Europe, not least of which include governmental shifts and changes in policy (such as the removal of brown grease from the accepted feedstock list by Germany). This action reduces the availability of feed stock and therefore increases pricing, increasing pressure on importation costs whilst competing with continental Europe.

**"*F4.1 Clean Fuel Production Credit (CFPC)***

*211. Title 26 of the United States Code[13] (26 USC) contains the US Internal Revenue Code of 1986 (IRC). Written in to the IRC is section 45Z, which provides an income tax credit for clean transportation fuel produced domestically after December 31, 2024, and sold by December 31, 2027. The income tax credit is for the domestic production of clean transportation fuel, which is divided into two broad categories:*

- *sustainable aviation fuel (SAF) and*
- *non-SAF transportation fuel.*

*A taxpayer cannot claim a CFPC unless they are registered as a producer of clean fuel at the time of production.*

*212. The tax credit is equal to up to $1 per US gallon produced but must have been produced at a US qualified facility, during the tax year sold, and will be determined by the emissions factor for such fuel as determined under the code.*

*213. The US Trade Representative identified the CFPC as a replacement program to the BTC in its questionnaire response published on the 26 June 2025.*

*214. All three US exporters (DGD, SBR, P66) confirmed that they had registered for the CFPC.*

*215. As the CFPC started after the POI, (2 January 2025) the TRA has not been able to obtain any verifiable data on the benefit the CFPC provides, and it has not been taken into account when calculating the subsidy margin within the POI. We have taken the existence of the CFPC into consideration when recommending implementation of measures as the CFPC has been referred to as a replacement program for the BTC."*

The CFPC is only valid for products produced in the US, from US products. The information to support this is in the public domain. Unlike the UK, the US does not require third party verification of the sustainability credentials of feedstocks and finished products c.f. ISCC. Therefore, all US produced product destined for UK export needs to

use non-indigenous ISCC certified feedstocks, precluding CFPC tax credits being claimed. Therefore, the measures proposed by the TRA are invalid as their investigation does not reflect the current tax incentive landscape.

**"*G1.3.1 Sales***

*396. The TRA assessed the change in the volume and value of the UK industry's sales during the injury period.*

*397. Table 16 shows how the UK industry's domestic sales developed throughout the injury period.*

**Table 16: UK Domestic Sales (like goods)**

| | Year one (2021) | Year two (2022) | Year three (2023) | POI (2024) |
|---|---|---|---|---|
| Sales volume (l) (including biodiesel in blends) **Indexed** | 159 | 100 | 65 | 97 |
| Sales value (£) (including biodiesel in blends) **Indexed** | 99 | 100 | 47 | 60 |
| *Source: UK Producer questionnaire responses* | | | | |

*1.*

*398. In the UK, demand for biodiesel is driven by the DfT RTFO. The RTFO is a UK Government policy for reducing greenhouse gas emissions from road transport in the UK, requiring an increasing volume of road fuel to contain a bio element, to reduce greenhouse gas emissions in the transport sector.*

*399. According to the RTFO, suppliers of relevant transport fuel in the UK must be able to show that a certain percentage of the fuel that they supply comes from renewable and sustainable sources. RTFO biodiesel blending targets increased from 9.75% in 2020 to 13.56% in 2024.*

*400. As the UK is a net importer of biodiesel, we would expect domestic sales volume to increase in line with consumption, but UK industry sales fluctuated over the injury period. There was a drop of 59 percentage points in sales volume (including biodiesel in blends) between years 1 and 2, which coincided with the removal of measures on HVO imported from the US. Sales during the injury period dropped a total of 62 percentage points, despite an increase in UK consumption over the same period. Sales values dropped by 39 percentage points over the injury period."*

There is no link between the RTFO and physical blending. To be compliant with the RTFO an obligated party must relinquish a set number of renewable transport fuel certificates, which can be generated either by blending or by importing and distributing non-blended fuel into the UK market. The fact that the TRA are citing the reduction in Biodiesel as proof of injury shows the premise of the market being defined by B7 blending is incorrect and that HVO (from any source) has disrupted the market such that the previously accepted model is no longer valid and cannot be relied upon as evidence for trade injury investigations such as this.

### I4.3 Expected impacts if the measure is implemented

*Scenario A2a: All US suppliers leave the market. UK producers raise their prices to the average for third country suppliers. Market shares of exiting US suppliers are allocated proportionally to UK producers and third country suppliers.*

572. In this scenario UK producers raise their prices to the average of third country suppliers. They do this as they are no longer suffering injury from US HVO imports. Third country suppliers keep their prices at pre-measure levels. UK producers and third country suppliers proportionally take the previous US market share, as US suppliers exit the market. This scenario assumes outstanding demand resulting from the exit of US HVO can be met by UK FAME production and third country HVO supply interchangeably.

All scenarios presented within the economic impact statement rely upon the flawed premise of equivalency and as previously pointed out lack of understanding of the differential between the mandated and discretionary markets.

If these measures were to be put into effect the UK would become solely reliant on European origin HVO for both the mandated and discretionary market, furthermore as the production capacity of European produced product is limited, most of the volume is likely to come from a single source. The TRA proposals as outlined would essentially reduce UK HVO supply to a single omnipotent supply should we need to import tariff free product. The tables below provide an overview of the AVERAGE premium figures from ARGUS by month and converted into £/Litre. Note, ARGUS only reports on EU markets and does not record the UK market.

**Table removed for confidentiality reasons**

There are several points to consider alongside these figures.

1) The European market (as defined by the EU) has within it a much more robust mandate across member states. The majority of EU states set their mandate on a GHG reduction basis (unlike the UK which is a volume mandate) and these mandates require higher physical volumes of fuel to be used within the market than the UK. This means that advanced feedstocks and 2$^{nd}$ generation fuels such as HVO take a far more prominent role in the discharge of a mandate. In turn and as a direct result the resultant certificates are valued higher – on average the value of Dutch, German and French certificates are approximately double that of UK RTFCs.

2) The “discretionary” market (as described previously) is much less prominent within the EU than the UK – it should be noted that Germany only allowed the use of HVO 100 as a fuel in 2025. The higher base pricing and lower certificate values that the UK would be subjected too would in effect remove the UK discretionary market. Given the volumes seen in the market and again previously described, Crown would estimate the value of this market to be around 600M£ a loss to which the fuel distribution market consisting of UKIFDA members would be exposed. Furthermore, higher pricing such as this will severely hamper the home heating decarbonising initiative that is being championed by industry across the UK and currently under consultation by DESNZ.
3) UK consumers, purchasing RFTO mandated fuel would suffer higher costs as base prices would normalise to ARGUS levels, without the balancing effect that EU certificates offer since RTFCs are consistently less valuable than those within EU member states. This effect would become more prominent as the RTFO mandate increases year on year.
4) By removing the advantages of US supply to the UK, in effect, this will increase availability of HVO into the EU, reducing their pricing but increasing our own, disadvantaging the UK economy and increasing UK consumer pricing. This is a considerable risk, since most of the US supply is moved into the UK via transit storage in ARA and would therefore be readily available to alternative markets.
5) Q4 2025 saw a marked increase ARGUS numbers, this was caused by speculation and latterly announcements by EU states on how they were proposing to implement the new REDIII directive handed down by the commission. These new measures will further increase the requirement for HVO in large markets notably Germany and it is reasonable therefore to assume that premiums will remain at similar levels in perpetuity. Should the TRA proposals be implemented, then the current differential between landed UK HVO and EU ~28ppl would be enacted (to which the UK consumer and industry will be directly exposed), when EU “mandate certificates” are taken into consideration however, the UK market is likely to be at a 30ppl disadvantage given the differential between EU certificate values and UK RTFCs.

Furthermore, due in part to the TRA interim recommendations Crown has seen a marked reduction in clients willing to sign supply contracts for HVO in 2026, we have “lost” *(redacted - confidential information)* Litres of contracted supply to fossil diesel due to the risk associated with the additional cost of HVO import tariffs, providing evidence of the fragility of the UK discretionary market.

In summary, it would seem clear that the TRA have failed to understand the biofuel market in its entirety and have therefore based tier assumptions on a linear model. By failing to recognise the differences between mandated and non-mandated

markets whilst enacting equivalence between Biodiesel and HVO the TRA are placing the UK market at immediate risk of contraction and severely impacting the cost of low carbon liquid fuels to industry and consumer over the longer term, making the UK market less competitive verse our peers. The TRA must look at the economic impact of tis measures further and attain more information from industry bodies such as UKIFDA and Zemo to corroborate and understand the workings of the market much more comprehensively.